

[DISCUSSION DRAFT]

117TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To expand small employer pooling options to provide paid family and medical leave.

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IN THE HOUSE OF REPRESENTATIVES

Mr. FERGUSON introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To expand small employer pooling options to provide paid family and medical leave.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “\_\_\_\_\_ Act  
5 of 2021”.

6 **SEC. 2. EXPAND SMALL EMPLOYER POOLING OPTIONS FOR**  
7 **PAID FAMILY AND MEDICAL LEAVE.**

8 (a) AMENDMENT TO EMPLOYEE RETIREMENT IN-  
9 COME SECURITY ACT OF 1974.—

1           (1) IN GENERAL.—Section 3(40)(A) of the Em-  
2       ployee Retirement Income Security Act of 1974 (29  
3       U.S.C. 1002(40)(A)) is amended by inserting “,  
4       which, for the purposes of this paragraph, may in-  
5       clude paid family and medical leave benefits,” after  
6       “paragraph (1)”.

7           (2) EFFECTIVE DATE.—The amendment made  
8       by paragraph (1) shall take effect on the date that  
9       is 90 days after the date of enactment of this Act.

10          (3) REGULATIONS.—The Secretary of Labor  
11       shall, in coordination with the issuance of regula-  
12       tions by the Secretary of the Treasury pursuant to  
13       subsection (b)(3), issue regulations to implement  
14       and ensure compliance with the amendment made by  
15       paragraph (1) to ensure consistency and parity in  
16       the treatment of paid family medical leave benefits  
17       across Federal agencies.

18       (b) AMENDMENT TO INTERNAL REVENUE CODE OF  
19   1986.—

20          (1) IN GENERAL.—Section 501(c)(9) of the In-  
21       ternal Revenue Code of 1986 is amended by insert-  
22       ing “disability, paid family and medical leave,” after  
23       “life, sick, accident,”.

24          (2) EFFECTIVE DATE.—The amendment made  
25       by paragraph (1) shall apply after the date that is

1       90 days after the date of enactment of this Act, in  
2       taxable years ending after such date.

3           (3) REGULATIONS.—The Secretary of the  
4       Treasury shall, in coordination with the issuance of  
5       regulations by the Secretary of Labor pursuant to  
6       subsection (a)(3), issue regulations to implement  
7       and ensure compliance with the amendment made by  
8       paragraph (1) to ensure consistency and parity in  
9       the treatment of paid family medical leave benefits  
10      across Federal agencies.

11      (c) REPORT.—Not later than 120 days after the date  
12      of enactment of this Act, the Secretary of Labor and the  
13      Secretary of the Treasury shall jointly submit a report to  
14      the Committee on Education and Labor and the Com-  
15      mittee on Ways and Means of the House of Representa-  
16      tives with recommendations describing—

17           (1) statutory or regulatory changes needed to  
18      facilitate multi-employer and small business pooling  
19      and cost-sharing, such as through multiple employer  
20      welfare arrangements, for the purpose of providing  
21      paid family and medical leave benefits, including  
22      through the use of short-term disability insurance,  
23      to the employees of two or more employers; and

24           (2) statutory or regulatory changes necessary to  
25      allow employers to implement the actions described

1       in paragraph (1) through a tax exempt trust, such  
2       as a voluntary employee benefits association, or  
3       other mechanism.